

## **Strategic GREEN MARKETING and its implication by HINDUSTAN UNILEVER LIMITED**

**Mansi Arora**

*Birla Institute of Management Technology  
Post Graduate Diploma in Management - International Business  
India.*

**Akarsh Agarwal**

*Institute for Financial Management and Research  
Post Graduate Diploma in Management  
India.*

### **Abstract**

Environmentalism has fast emerged as a worldwide phenomenon due to rising evidence of environmental problems. In the modern era of globalization, it has become a great challenge to keep the customers as well as the consumers in fold and keep our natural environment safe and that is the biggest need of the hour.

The growing social concern for the environment has emerged as a key concept in Marketing – Green Marketing. Green Marketing incorporates a broad range of activities including Product Modification, changes to the production process, packaging changes as well as modifying advertising. The changing consumer's preferences with concern for future generations and results of human activities require enterprises to have new decisions and creative ways of creating competitive edge in the market.

The Fast Moving Consumers Goods (FMCG) is an important contributor to India's GDP and it is the fourth largest sector of Indian Economy. Business and organizations have realized the importance of eco-sustainability, green marketing and having competitive edge in market.

Therefore, the study "**Strategic GREEN MARKETING and its implication by HINDUSTAN UNILEVER LIMITED**" is relevant to know the various green marketing strategies adopted by the company and Consumer's Preference for the Green Products. This study is also helpful for knowing the factors what reasons are forcing companies to adopt GREEN MARKETING STRATEGIES.

## **1. INTRODUCTION**

Environmental Degradation has become a serious issue worldwide. Natural Resources are exploited at fullest without any consideration of their repercussions. Natural resources are limited in nature while human wants are unlimited. Environmentalism has fast emerged as a worldwide phenomenon due to the rising evidence of environmental problems. In the modern era of globalization, it has become a great challenge to keep the customers as well as consumers in fold and even our natural environment safe and that is the biggest need of the hour.

A new key concept has emerged in marketing – termed as “GREEN MARKETING”. Green marketing refers to the planning, development and promotion of products or services that satisfy the needs of consumers for quality, output, accessible prices and service, without however having a negative effect on the environment, with regard to the use of raw material, the consumption of energy etc. This concept has emerged from societal marketing and includes those recycled products, energy efficient goods and green thoughts which force the consumer to ponder upon like “save fuel” or rather “save water”.

Consumer’s preferences have changed rapidly. They are more conscious about future generations, environmental protection and this requires the enterprises to have more responsibility towards the society and have a competitive advantage. Big players in the market are making efforts to control societal damage and have begun some efforts in this direction. Green marketing has a direct link with Sustainable Development and the well-being of future generations.

For FMCG sector, which is the fourth largest in economy with market size of US\$13.1 billion year 2015, has been a mixed bag. FMCG is one of the growing industries and recognized various competitive advantages and opportunities to be gained from eco-sustainability and green marketing.

This study is limited to one such FMCG company. Hindustan Unilever Limited (HUL) is India's largest Fast Moving Consumer Goods Company with a heritage of over 80 years in India and touches the lives of two out of three Indians. With over 35 brands spanning 20 distinct categories such as soaps, detergents, shampoos, skin care, toothpastes, deodorants, cosmetics, tea, coffee, packaged foods, ice cream, and water purifiers, the Company is a part of the everyday life of millions of consumers across India. The Company has over 18,000 employees and has an annual turnover of INR 31,425 Crores (financial year 2015 – 16).

This means sustainable, equitable growth is the only acceptable model for their business. However, a better understanding of consumer’s behavior is necessary in FMCG sector and gradually concerns are making efforts to go green.

## **2. RESEARCH GAP**

Many literatures and surveys have examined the consumer behaviour covering different disciplines that determine the factors influencing green marketing. The

earlier studies review indicates the impact of price consciousness, the quality consciousness in a detailed manner. Strategies offered by the FMCG companies and its impact on consumers stills remain unexplored. All the studies conducted so far focus on consumer's buying behaviour towards eco-friendly products while this study emphasizes on green marketing strategies adopted by the company (HUL).

This research will have a significant and vital impact on the readers as consumers play a pivotal role in green marketing of FMCG company research.

### **3. NEED OF THE STUDY**

Environmental problems have become a serious issue in India now-a-days. Resources to meet unlimited wants are not enough and hence recyclable or renewable products will serve the purpose. Green marketing strategies are gaining worldwide acceptance. Consumers view the hypocrisy of producing wasteful and polluting advertising as a reflection of ethical ambiguity on the part of businesses.

With changing environmental conditions, green marketing and ethics companies have to work for the betterment of society. As industries are based on limited resources they have to find alternatives to satisfy needs of the consumers. Hence green marketing is essential to achieve organizational goals.

Therefore, this study will help in identifying the green marketing strategies that are adopted by companies and what benefits it will provide to customers in large.

### **4. OBJECTIVES**

- To find out the level of awareness in consumers in relation to Green products.
- To study the factors which are forcing companies to adopt Green Marketing Strategies □To analyse Green Marketing Strategies adopted by the selected company (i.e. HUL) □To list out consumers benefit in adopting Green Marketing Strategies.

### **5. RESEARCH METHODOLOGY**

**SCOPE OF STUDY:** Researcher would analyse the green marketing strategies in close reference to the selected company- HINDUSTAN UNILEVER LIMITED.

**COLLECTION OF DATA:** The proposed research will be based on both – PRIMARY and SECONDARY DATA.

**PRIMARY DATA:** Primary data will be collected through questionnaires – consumer's survey would be done. In addition to this those consumers will be preferred who are active users of HUL products.

**SECONDARY DATA:** The Secondary data will be collected from studies,

internet (<https://www.hul.co.in/>), magazines, articles, reports and various research papers.

**AREA OF STUDY:** AGRA city.

**SAMPLE SELECTION:** Convenience Sampling Basis

**SAMPLE SIZE:** Under the study, 200 people of selected company (HUL) will be respondents.

**TOOLS OF ANALYSIS:** To achieve the objective of study the following tools will be used:

- Weighted Mean
- Percentage

## **STRATEGIES ADOPTED BY HINDUSTAN UNILEVER LIMITED**

### **HINDUSTAN UNILEVER LIMITED: STRATEGIES IN FIELD OF GREEN MARKETING**

**Reduce packaging** - In 2015, we implemented innovative ways of reducing the resources used for our packaging. We focused on using lighter, stronger and better materials that have a lower environmental impact. This led to over 10,000 tonnes of paper and board waste reduction and over 840 tonnes of polymer waste reduction.

**Reducing waste from our manufacturing-** In 2015, there was over 92% reduction in disposed waste generated (kg per tonne of production) and 30% reduction in total waste generated (disposed waste and recycled waste) compared to 2008 baseline. This was achieved through captive usage of organic process waste as biogenic fuel in boilers in a few of our factories; waste segregation at source; and reduction in generation of manufacturing wastes through site driven initiatives. In 2015, all our manufacturing facilities retained zero non-hazardous waste to landfill status, a target accomplished in 2014.

**Recycle packaging** - We are working in partnership with industry, governments and NGOs to increase recycling and recovery rates in our packaging. We have started using r-PET (80% recycled PET) in our blister packs for personal care brands like Pepsodent toothbrush and Fair & Lovely.

**Reducing water use in manufacturing-** Water usage (cubic meter per tonne of production) in our manufacturing operations has reduced by 48% compared to 2008 baseline.

We have been able to reduce our water usage by regular metering, monitoring and controlling of utilities consumption at all our manufacturing sites. Some of the other initiatives include better runtime strategies for lesser usage of cleaning water; identifying dry areas in shop-floor; recovery and reuse of process condensate water; and using Effluent Treatment Plant (ETP) treated water instead of fresh water for ETP chemical slurry preparation.

**Reducing greenhouse gas emissions from refrigeration-** We have continued to roll out environment-friendly freezer cabinets that use hydrocarbon (HC) refrigerants. There are currently 43,000 freezers with HC technology in our fleet in India.

**Sustainable tea-** Till date, 398 tea estates have been certified as sustainable estates by Rainforest Alliance and trustea in India. In 2015 alone, 181 tea estates across Assam, West Bengal, Kerala and Tamil Nadu were certified as 'Sustainable Estates'. In 2015, over 28% of tea was sourced from sustainable sources in India for Unilever's brands.

**Working with food banks and our 'zero waste' ambition-** Unilever has a 'zero waste mind-set', and since the launch of the Unilever Sustainable Living Plan in 2010, our supply chain has delivered significant reductions in the amount of waste sent to landfill from our operations. Global partnerships are contributing to this goal by working with food banks to reduce waste in the supply chain, finding ways to create a positive social impact while making environmental improvements.

Thanks to Unilever's broad portfolio of brands and the far reach of our operations, we are in a unique position to help food banks by providing essential everyday items – from food to homecare and personal care products. By enhancing in-kind donations of products that would otherwise go to landfill, we are supporting Unilever's target to become a zero waste company.

We are also working with Oxfam to support the setting up of new community food banks and the re-distribution of surplus food and other Unilever products in the UK. In the US, we support Feeding America, the leading domestic hunger-relief charity, and its nationwide network of food banks.

**Sustainable Palm Oil-** All our palm derivatives are backed by RSPO (Roundtable on Sustainable Palm Oil) certificates. We have signed multiple partnerships to drive market transformation, traceability of the supply chain and commitment to halt deforestation of palm oil trees.

**Sustainable paper & board-** Nearly 99% of paper and board used for packing our products is from certified and sustainably managed forests. The paper and board mills selected are Forest Stewardship Council (FSC) certified. Total Paper and Board consumption has reduced from 95,000 tonnes to 80,000 tonnes over last two years (12,000 tonnes in paper and 3,000 tonnes in board).

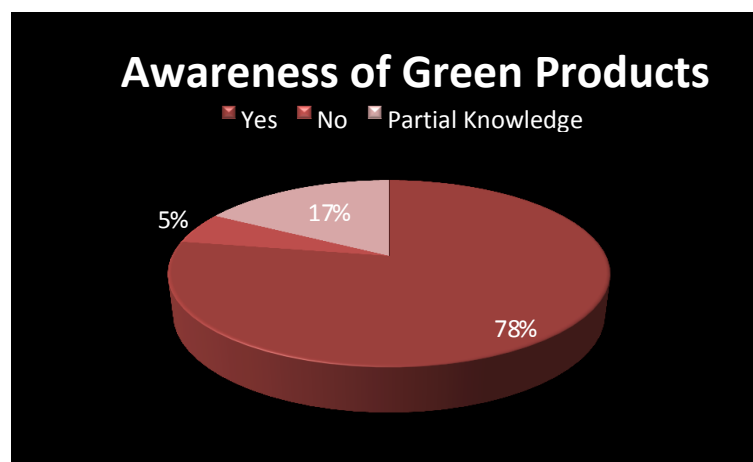
**Reducing greenhouse gas emissions from our manufacturing-** Our CO<sub>2</sub> emissions per tonne of production in 2015 reduced by 42% compared to the 2008 baseline. Several initiatives rolled out by our units to conserve energy include increase in biogenic fuel firing in boilers and hot air generators by 11% (in tonnes of biomass) in 2015 compared to 2014, heat recovery from gasses generated from boilers and hot air generators, installation of LED, solar powered lights and wind turbo ventilators for raw materials and finished goods ware-houses, day-light harvesting and energy audits for continuous improvement.

## 6. ANALYSIS AND INTERPRETATION OF DATA

**\*There were 183 respondents in total. Out of 183 people 10 people have said that they have no knowledge about Green Marketing. For this purpose the Further Study will be done on 173 People as Respondents for Consideration.**

**Table 1:** Awareness of Green Products or Eco-friendly products

S.No	Response	Frequency	Percentage
1.	YES	142	78
2.	NO	10	5
3.	PARTIAL KNOWLEDGE	31	17



Out of Total Respondents, 78% People have agreed that they have knowledge about Green Marketing. 5% of people (out of 183), have clearly mentioned that they have no knowledge and hence will not be considered for further Study.

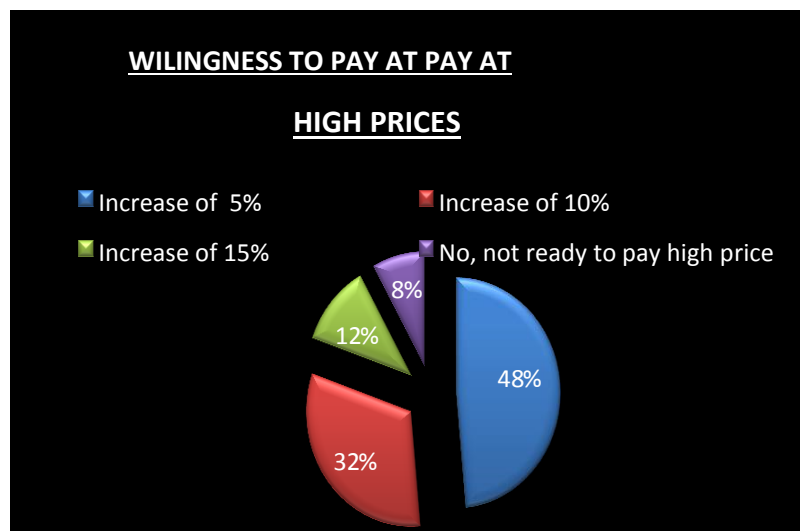
**Table 1.1** Awareness of “Green Products” or Eco-Friendly products for the firsttime.

S.No.	Parameters	Frequency	Percentage
1.	Television	93	54
2.	Magazines	22	13
3.	Seminars	16	9
4.	Newspapers	32	18
5.	Others	10	6

It is observed that most of the people have gained knowledge for the first time from TELEVISION as the Source of Media. Other Medium includes- Social Media, Friends etc. which accounts for 6%.

**Table 1.2** Willingness to Pay at Pay at High Prices

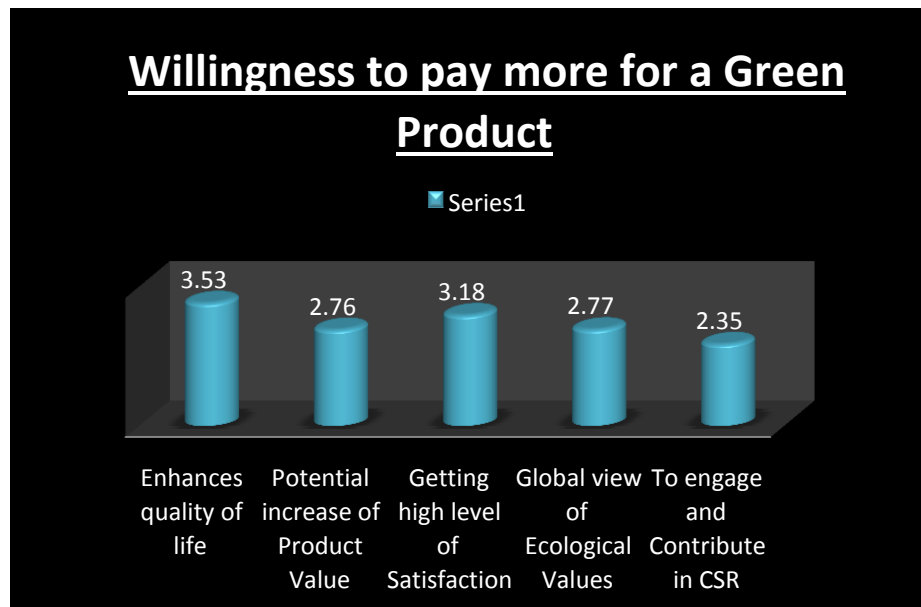
S.No	Responses	Frequency	Percentage
1	Yes, with the increase of 5%	84	48
2	Yes, with the increase of 10%	55	32
3	Yes, with the increase of 15%	20	12
4	No, not ready to pay high price	14	8



It is observed that most of the people are ready to pay high prices but upto a certain extent. For this reason, people in 3<sup>rd</sup> category (Increase of 15%) are very few. There are few people who are not ready to pay high price which accounts for 8% of the sample size.

**Table 1.3** Reasons that make the consumers willing to pay more for a Green Product

<u>Parameters</u>	<u>I</u>	<u>II</u>	<u>III</u>	<u>IV</u>	<u>V</u>	<u>WAM</u>
Enhances Quality of Life	79	24	18	14	38	3.53
Potential increase of Product value	15	74	30	44	10	2.76
Getting high level of satisfaction	27	22	91	21	12	3.18
Global view of ecological values	19	38	18	81	17	2.77
To engage and contribution in CSR	33	20	14	13	93	2.35



It is observed that most of the people have agreed that a “Green Product” enhances the quality of life and for this reason they are ready to pay more. High level of satisfaction is second most preferred reason.

**Table 1.4.** Reasons for not willing to pay more for green products.

<b><u>Parameters</u></b>	<b><u>I</u></b>	<b><u>II</u></b>	<b><u>III</u></b>	<b><u>IV</u></b>	<b><u>V</u></b>	<b><u>WAM</u></b>
Product Cost is too high	45	32	37	18	41	3.12
It's the responsibility of the Government	24	59	17	47	26	3.05
Producers claim for high price actually they make profit out of it	38	17	71	20	27	3.11
Mindset of buying cheap and attractive product	24	40	25	52	32	2.84
Companies try to make goodwill by claiming the product as green	40	31	25	32	45	2.94

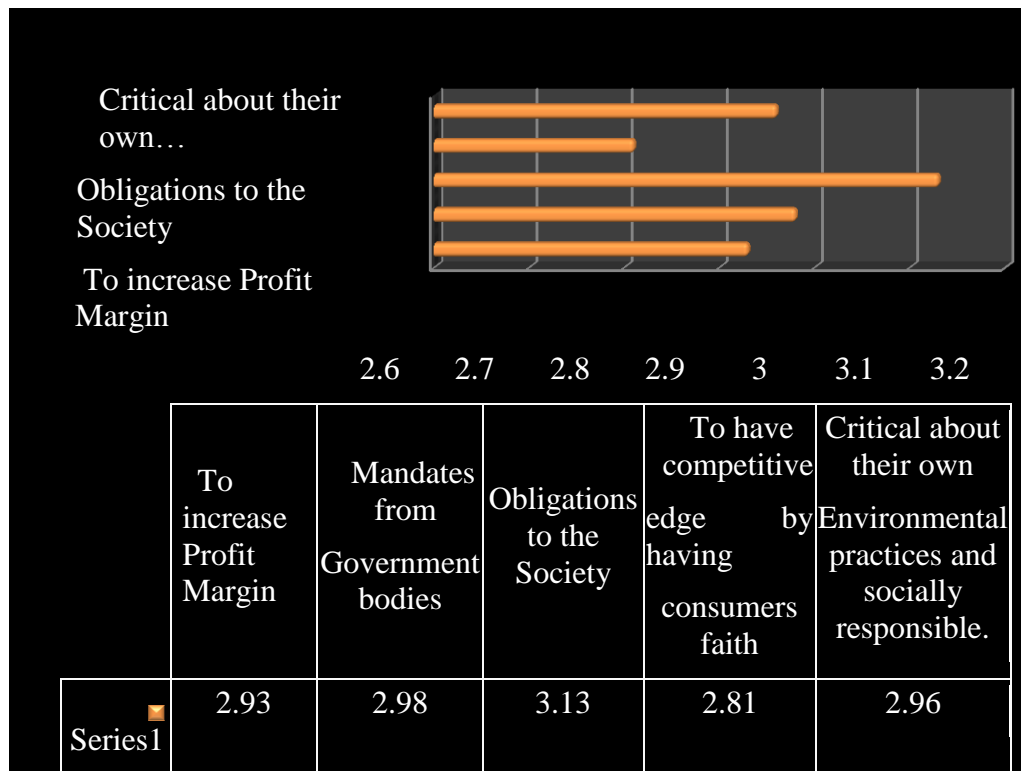




Cost plays an important role and consumers are not ready to pay that high amount. While respondents also feel that Producers claim for high price, actually they are making profits out of them and misleading the Public.

**Table 1.5** Reasons for companies to adopt Green Marketing Strategies.

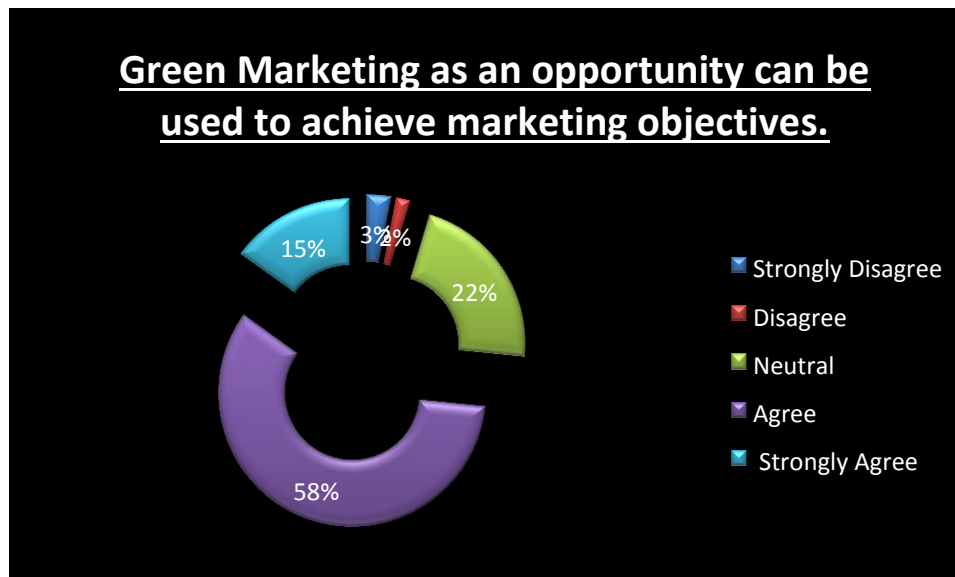
<b><u>Parameters</u></b>	<b><u>I</u></b>	<b><u>II</u></b>	<b><u>III</u></b>	<b><u>IV</u></b>	<b><u>V</u></b>	<b><u>WAM</u></b>
To increase Profit Margin	52	26	33	22	40	2.93
Mandates from Government bodies	15	58	30	47	23	2.98
Obligations to Society	35	24	68	21	25	3.13
To have competitive edge by having consumers faith	23	40	28	45	37	2.81
Critical about their own Environmental practices and socially responsible.	47	26	18	38	44	2.96



It is observed that Companies are usually adopting such strategies because they feel it is an obligation to the Society. While having competitive edge for making high profits and mandates from Governmental bodies forces them to adopt such strategies.

**Table 1.6.** Green Marketing as an opportunity can be used to achieve marketing objectives.

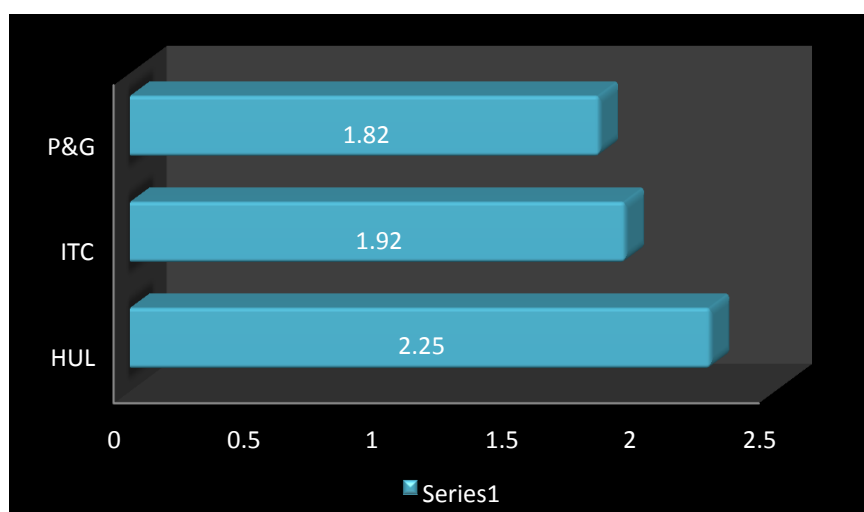
S.No	Responses	Frequency	Percentage
1.	Strongly Disagree	5	3
2.	Disagree	3	2
3.	Neutral	38	22
4.	Agree	101	58
5.	Strongly Agree	26	15



Respondents have agreed to a great extent that Green Marketing as an opportunity can be used to achieve marketing objectives. 22% of them have still remained neutral to this statement.

**Table 1.7** FMCG Company has made a mark in the field of Green Marketing.

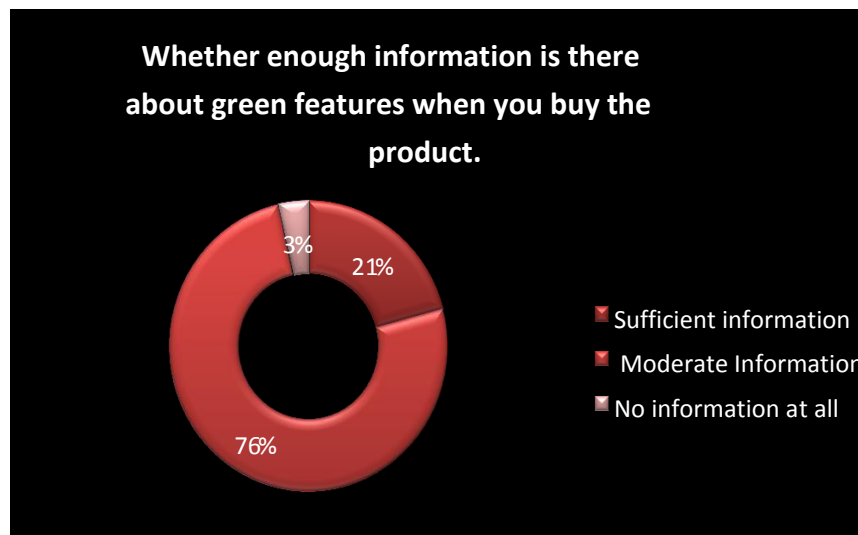
Company	Weighted average mean
Hindustan Unilever Limited	2.25
ITC	1.92
Procter and Gamble ( P&G)	1.82



According to the observations from the collected data it was seen that respondents feel that Hindustan Unilever Limited has done a remarkable work in this field.

**Table 1.8** Whether enough information is there about green features when you buy the product.

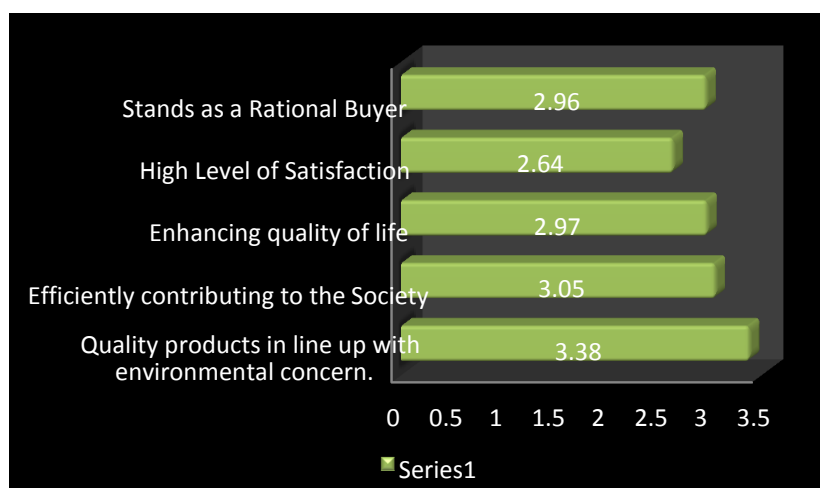
S.No	Responses	Frequency	Percentage
1.	Sufficient information	36	21
2.	Moderate Information	131	76
3.	No information at all	6	3



It is seen that there is Moderate level of Information available when a consumer goes to buy the product. Very few people have said that there is No information at all but the percentage of first category (Sufficient Information) is still less.

**Table 1.9** Consumer's benefits in adopting green marketing strategy as a matter of chief concern.

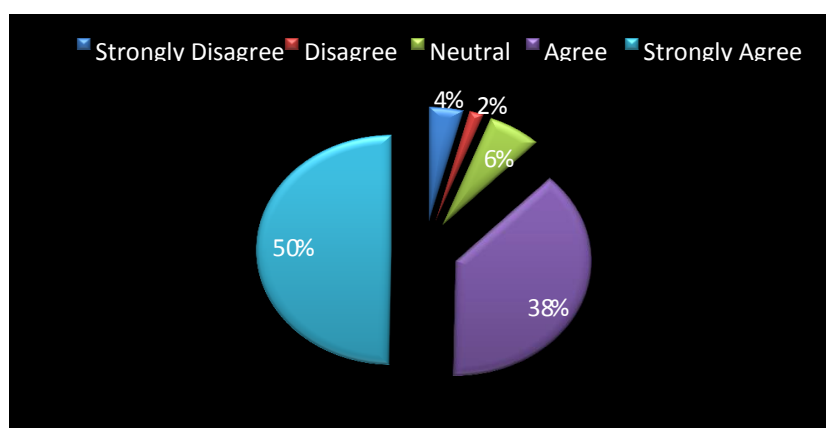
Parameters	Weighted Average Mean
Quality products in line up with environmental concern.	3.38
Efficiently contributing to the Society	3.05
Enhancing quality of life	2.97
High Level of Satisfaction	2.64
Stands as a Rational Buyer	2.96



The most important factor that benefits the consumers is – they have the reach to get quality products that doesn't have any harm to the society. While effectively contributing to the society stands second most important factor.

**Table 1.10** “Consumer’s play a prominent role and can bring a change in society” – Opinion of Respondents.

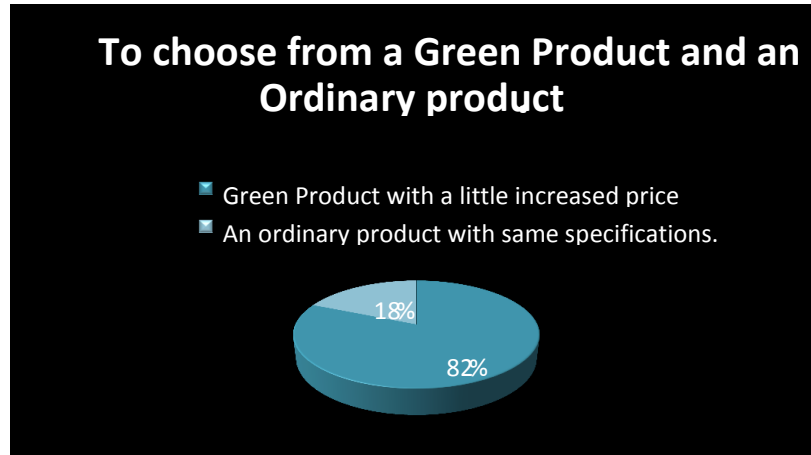
S.No	Responses	Frequency
1.	Strongly Disagree	7
2.	Disagree	3
3.	Neutral	11
4.	Agree	66
5.	Strongly Agree	86



50% of people have strongly agreed to the fact that Consumer’s play a prominent role and can bring a change in society.

**Table 2.** To choose from a Green Product and an Ordinary product.

Parameter	Responses	Percentage
Green Product with a little increased price	141	82
An ordinary product with same specifications.	32	18



A considerable number of people have agreed that they would prefer Green Product with a little increased price. However, producers have to be conscious with Price Rise because Cost is the game driver.

## 7. FINDINGS

1. This Concept has gained Importance because Environmental Degradation has become a serious issue worldwide. Consumer's preferences have changed rapidly. They are more conscious now. They prefer buying those products which cause minimal damage to the environment.
2. Due to the Green Feature it might be possible that the Price of the Product shoots up but it is seen that Consumers are ready to pay high Price but to a certain extent.
3. There is still a class of people who have showed interest for Environmental Protection but are not ready to pay high price for the product. This clearly shows that Consumers are Price- sensitive and hence "Price of the Product" is the game driver.
4. It was also found that a moderate level of Information is available to Consumers when they buy the products. However, very few people have said that there exists "No Information at all" when they buy the product.
5. As per the recorded responses it is seen that Hindustan Unilever Limited has made a mark in the field of Green Marketing. They believe that it is about

business and not just social responsibility and therefore a heart of brand management, innovation and business processes.

6. There can be several sources to gain knowledge in this aspect but it was found that TELEVISION has been prominent in catering knowledge of GREEN MARKETING to a large section of people.
7. 40% people have agreed to the statement for “Long term success and benefits, Green Marketing must be implemented by all Companies”. It provides them a competitive edge in society and is directly related to profits earning.
8. Consumers have given so much importance to Green Marketing Strategies because they feel they can use a quality product but not at the stake of environment. By this way they are efficiently contributing to society.
9. Respondents have agreed to the statement that Green Marketing as an opportunity can be used to achieve marketing objectives. This will help a company to establish its own image in the market.
10. It is the need of an hour to have concern for the environment and therefore there are several reasons for the producers to adopt such strategies. Some companies are Critical about their own Environmental practices and are socially responsible while other have started working in this direction.

## **8. SUGGESTIONS**

The changing consumer's preferences with concern for future generations and results of human activities require enterprises to have new decisions and creative ways of creating competitive edge in the market.

1. The Government should make efforts so that business enterprises adopt Green Marketing as a moral responsibility and not mere a compulsion.
2. Companies should remain ethical and their pricing, promotion policies, responsibility towards environment and their marketing practices should reflect their green behaviour in order to establish their claim to be environmentally responsible to the stakeholders. There should be strict monitoring on them.
3. Consumer companies should be more environment friendly. They should organize ecofriendly programmes to create awareness among employees, customers and other stakeholders about the need for protecting environment. For this purpose, the FMCG companies should be very alert and vigilant about those who fail to abide by the fixed parameters.
4. For monitoring, observing and evaluating the customers purchasing behaviour, their responsibility towards the environment, perception towards the companies – an environmental impact cell should be constituted to identify the problems and chalk out solutions to issues related to environmental management.

5. The green FMCG companies have to educate the masses through advertising that lays emphasis on green products and their usefulness to customers. This kind of advertising goes a long way in educating the masses and promoting the concept of green products among the people.

## **9. CONCLUSION**

The FMCG Industry is the biggest and the most dynamic industry with a large number of customers for different types of products with varying tastes, needs, behaviour and purchasing style. At the same time, there is a shift in buyer's consumption pattern from unsustainable to sustainable. This shift influences the purchase behaviour of the customers as they have decided to go ECO-FRIENDLY. This transformation in customer's behaviour has compelled FMCG Companies to adopt green to retain their image in markets.

Some companies are Critical about their own Environmental practices and are socially responsible while other have started working in this direction.

## **REFERENCES**

- Kukbir Kaur Bhatti (2016), "Green Marketing: Savior for the Consumers, Businesses and the World" ,International Journal of Emerging Research in Management and Technology, VOLUME-5,ISSUE-6, June 2016, ISSN:2278-9359
- Prashant Kumar (2014), "A Study of Green Marketing Practices in Indian Companies" , December 2014, <https://www.researchgate.net/publication/272157994>
- Yasmin Begum R. Nadaf&Shamshudin M. Nadaf (2014), "Green Marketing: Challenges and Strategies for Indian Companies in 21<sup>st</sup> Century", International Journal of Research in Business Management (IMPACT: IJRBM), VOLUME-2, ISSUE-5, May 2014, ISSN(E): 2321-886, ISSN (P): 2347-4572
- Rahul Argha Sen (2014), "A Study of the Impact of Green Marketing Practices on Consumer Buying Behaviour", International Journal of Management and Commerce Innovations, April-September 2014,Volume-2, Issue-1, pp(61-70)